

<i>SERFF Tracking Number:</i>	<i>PHLX-G128051941</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Philadelphia Indemnity Insurance Company</i>	<i>State Tracking Number:</i>	<i>PHLX-G128051941</i>
<i>Company Tracking Number:</i>	<i>IL003380200050</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2003 Chiropractic</i>
<i>Product Name:</i>	<i>Cover Pro Healthcare</i>		
<i>Project Name/Number:</i>	<i>Cover Pro Healthcare/IL003380200050</i>		

Filing at a Glance

Company: Philadelphia Indemnity Insurance Company

Product Name: Cover Pro Healthcare

SERFF Tr Num: PHLX-G128051941

State: Illinois

TOI: 11.2 Med Mal-Claims Made Only

SERFF Status: Closed-Filed

State Tr Num: PHLX-G128051941

Sub-TOI: 11.2003 Chiropractic

Co Tr Num: IL003380200050

State Status:

Filing Type: Rate/Rule

Reviewer(s): Gayle Neuman

Author: SPI PhiladelphiaIndemnity

Disposition Date: 04/13/2012

Date Submitted: 01/31/2012

Disposition Status: Filed

Effective Date Requested (New): 03/05/2012

Effective Date (New): 04/16/2012

Effective Date Requested (Renewal):

Effective Date (Renewal):
04/16/2012

State Filing Description:

General Information

Project Name: Cover Pro Healthcare

Status of Filing in Domicile:

Project Number: IL003380200050

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 04/13/2012

State Status Changed:

Deemer Date:

Created By: SPI PhiladelphiaIndemnity

Submitted By: SPI PhiladelphiaIndemnity

Corresponding Filing Tracking Number:

Filing Description:

The Philadelphia Indemnity Insurance Company files for your review, and where required approval, our new Chiropractors Professional Liability program. This program provides specific tailored coverages for the unique risks presented by chiropractors.

Rates are developed based on the NCMIC Insurance Company filing in Illinois with Filing #: 42-0635534.

The company is presently building a statistical reporting plan organically and will be doing said reporting in-house with existing technologies and resources.

A copy of the manual rating page is enclosed for your review. The policy, declaration page and endorsements for this

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coverage are being filed separately.

State Narrative:

Company and Contact

Filing Contact Information

Diane Quarles, Compliance Analyst

One Bala Plaza 610-617-7751 [Phone]
Suite 100 866-478-1433 [FAX]
Bala Cynwyd, PA 19004

Filing Company Information

Philadelphia Indemnity Insurance Company CoCode: 18058 State of Domicile: Pennsylvania
One Bala Plaza Group Code: 3098 Company Type:
Suite 100 Group Name: Philadelphia Insurance Companies State ID Number:
Bala Cynwyd, PA 19004 FEIN Number: 23-1738402
(610) 617-7900 ext. [Phone]

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

State Specific

Refer to our checklists prior to submitting filing

(http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): noted

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: noted

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please

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refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm: Per Ms. Neuman, this filing can be filed via SERFF

Medical Malpractice rates/rules may only be submitted in paper.: Per correspondence with Ms. Neuman, this may be filed via SERFF

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": noted

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: n/a rate/rule filing

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	04/13/2012	04/13/2012

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Gayle Neuman	02/06/2012	02/06/2012	SPI PhiladelphiaIndemnity	02/07/2012	02/07/2012

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Effective Date	Note To Reviewer	SPI PhiladelphiaIndemnity	04/12/2012	04/12/2012
effective date	Note To Filer	Gayle Neuman	04/12/2012	04/12/2012

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Disposition

Disposition Date: 04/13/2012
Effective Date (New): 04/16/2012
Effective Date (Renewal): 04/16/2012
Status: Filed
Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Philadelphia Indemnity Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Manual		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Rate Support		No
Rate (revised)	Rating Manual		Yes
Rate	Rating Manual		Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/06/2012
Submitted Date 02/06/2012
Respond By Date 02/20/2012

Dear Diane Quarles,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

1. Please define the "favorable" risk management practices. How will the company decide if an insured gets a 2% discount vs. a 14% discount?
2. Please review Company Bulletin #2011-05 regarding schedule rating plan guidelines.

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,
Gayle Neuman

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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	02/07/2012
Submitted Date	02/07/2012

Dear Gayle Neuman,

Comments:

Objection Response

Response 1

Comments: We are providing specific risk management practices with corresponding specific discounts. We are also providing specific schedule rating characteristics, which provide both credits and debits with an overall maximum credit or debit of 25%. Attached is our revised rating rule page for your review.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

Rate/Rule Schedule Item Changes

Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing #
Rating Manual	PI-CPHC-RU 1 IL	New	
Previous Version			
Rating Manual	PI-CPHC-RU 1 IL	New	

Sincerely,
Diane Quarles

Sincerely,
SPI PhiladelphiaIndemnity

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Note To Reviewer

Created By:

SPI PhiladelphiaIndemnity on 04/12/2012 02:46 PM

Last Edited By:

Gayle Neuman

Submitted On:

04/13/2012 09:44 AM

Subject:

Effective Date

Comments:

We would like the effective of April 16, 2012.

Thank you,
Diane Quarles

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TOI: *11.2 Med Mal-Claims Made Only* *Sub-TOI:* *11.2003 Chiropractic*
Product Name: *Cover Pro Healthcare*
Project Name/Number: *Cover Pro Healthcare/IL003380200050*

Note To Filer

Created By:

Gayle Neuman on 04/12/2012 01:25 PM

Last Edited By:

Gayle Neuman

Submitted On:

04/13/2012 09:44 AM

Subject:

effective date

Comments:

The Department of Insurance has now completed its review of this filing. Originally, Philadelphia Indemnity requested the filing be effective March 5, 2012. Was the filing put in effect on March 5, 2012 or do you wish to have a different effective date?

Your prompt response is appreciated.

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Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Philadelphia Indemnity Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	Rating Manual	PI-CPHC-RU 1 IL	New	Rule Page - IL (02-12).PDF

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The following Professional Liability Coverage Form, Declarations Page and endorsements are available for risks written for doctors of chiropractic medicine.

I. FORMS

1. Cover Pro Healthcare Declarations Page
 - a. Description: Use this declarations page when the Cover Pro Healthcare Coverage Form is attached to the policy.
 - b. Form: PI-CPHC-001
 - c. Premium Determination: There is no premium charge.
2. Cover Pro Healthcare Coverage Form
 - a. Description: This form provides coverage for claims arising out of a wrongful act committed in the rendering of or failing to render professional services, subject to certain exclusions and conditions outlined in the form.
 - b. Form: PI-CPHC-002
 - c. Premium Determination: See Section II. below for rating information.
3. Relief Doctor Endorsement
 - a. Description: This optional endorsement amends the definition of Individual Insured to include a licensed chiropractor named in the endorsement as a relief doctor but only for the treatment of patients at the named insured's location and for a specified time period.
 - b. Form: PI-CPHC-003
 - c. Premium Determination: There is a \$50 flat charge for this endorsement when coverage is to apply for a period of up to four (4) weeks. For a coverage period in excess of four (4) weeks, the premium is to be calculated according to the steps in Section II. below for a full-time chiropractor, and pro-rated based on the entire length of time that the named relief doctor is acting in that capacity.
4. Extern Endorsement
 - a. Description: This optional endorsement amends the definition of Individual Insured to include externs named in the endorsement but only for the treatment of patients at the named insured's location, subject to the conditions outlined in the endorsement.
 - b. Form: PI-CPHC-004
 - c. Premium Determination: There is a \$50 flat charge for this endorsement when coverage is to apply for a period of up to four (4) weeks. For a coverage period in excess of four (4) weeks, the premium is to be calculated according to the steps in Section II.

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below for a full-time chiropractor, and pro-rated based on the entire length of time that the named extern is acting in that capacity.

5. Sexual Abuse and Molestation Endorsement
 - a. Description: This optional endorsement provides a sublimit of liability of \$30,000 per claim up to an aggregate limit of \$60,000 for costs incurred in defending the insured for allegations of sexual abuse or molestation.
 - b. Form: PI-CPHC-005
 - c. Premium Determination: The charge for this endorsement is 5% of the total professional liability premium.
6. Chiropractor Pro Pak Elite
 - a. Description: This mandatory endorsement amends the coverage provided under the Cover Pro Healthcare coverage form to be specific to the needs of chiropractors.
 - b. Form: PI-CPHC-006
 - c. Premium Determination: There is no premium charge.
7. Unlimited Extended Reporting Period Endorsement
 - a. Description: This optional endorsement extends the basic reporting period of 60 days following the expiration of a claims made policy, to an unlimited period of time allowed to report claims.
 - b. Form: PI-CPHC-007
 - c. Premium Determination: See Section II. C. below for rating information.
8. Limited Extended Reporting Period Endorsement
 - a. Description: This optional endorsement extends the basic reporting period of 60 days following the expiration of a claims made policy to a longer period of time, specified in the endorsement, allowed to report claims.
 - b. Form: PI-CPHC-008
 - c. Premium Determination: See Section II. C. below for rating information.
9. Malpractice Insurance – Chiropractic Professional Liability Application
 - a. Description: This application is completed by the insured; the information supplied in the application is made part of the policy.
 - b. Form: PI-CPHC-APP-DC

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- c. Premium Determination: There is no premium charge.

10. Illinois Amendatory Endorsement

- a. Description: This mandatory endorsement modifies various terms in the Cover Pro Healthcare Coverage Form, as required in your state.
- b. Form: PI-CPHC-IL-1
- c. Premium Determination: There is no premium charge.

11. Illinois Extended Reporting Period Endorsement

- a. Description: This mandatory endorsement provides an Extended Reporting Period condition that meets your requirements.
- b. Form: PI-CPHC-ERP-IL-1
- c. Premium Determination: There is no premium charge.

II. RATES

A. Premium Determination for Individuals (Occurrence or Claims Made)

1. Base Rate

A base rate of 2,365 applies at a \$100,000 occurrence / \$200,000 aggregate limit.

2. Territory Relativities

Table 1. Territory Relativities

Territory	Territory Description	Factor
1	Cook, DuPage, Lake, Will, Kendall, Kane, & McHenry Counties	1.000
2	Monroe, St. Clair, Madison, Clinton, Washington, Randolph, & Jersey Counties	1.095
3	Remainder of State	0.960

3. Base Premium before Occurrence or Claims Made Factor

For different combinations of limits, the product of multiplying the appropriate factor from Tables 2 and 3 below is then multiplied x the base rate and the territory multiplier to arrive at the base premium. Round to the nearest whole dollar (i.e. round up if • .50; round down if • .49).

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Table 2. Alternate Occurrence Limits

Occurrence Limit	Factor
50,000	0.80
100,000	0.97
200,000	1.13
300,000	1.24
500,000	1.38
1,000,000	1.56
1,500,000	1.68
2,000,000	1.76
3,000,000	1.89
4,000,000	1.99
5,000,000	2.07
10,000,000	2.32

Table 3. Alternate Aggregate Limits

Ratio of Occurrence Limit to Aggregate Limit (n X Occurrence)	Factor
n = 1.0	1.000
n = 1.5	1.010
n = 2.0	1.020
n = 2.5	1.025
n = 3.0	1.035
n = 4.0	1.040
n = 5.0	1.045
n = 6.0	1.060
n = 8.0	1.065
n = 10.0	1.070
n = 12.0	1.100

Example:

\$100,000 occurrence / \$300,000 aggregate

(Table 2 Factor x Table 3 Factor) x Base Rate x Territory Relativity

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Or: $(0.97 \times 1.035) \times 2365 \times 1.000$ (for Territory 1) = 2,374

*If the desired limits are not shown, interpolation should be used to determine the appropriate factor(s).

Interpolation Rule:

When interpolating to find the appropriate factor for a target amount between two amounts, take the difference between the target amount and the lower amount divided by the difference between the higher amount and the lower amount. Apply this result to the difference between the higher amount's factor and the lower amount's factor and add to the lower amount's factor.

Step 1: $\frac{\text{Target amount} - \text{Lower amount}}{\text{Higher amount} - \text{Lower amount}}$

Step 2: Result of Step 1 x (Higher amount factor – Lower amount factor)

Step 3: Add result of Step 2 to the lower amount factor to arrive at target factor

4. Occurrence Base Premium

When coverage is written on an occurrence basis, multiply the base premium in **3.** above x **1.041** (the occurrence factor).

5. Claims Made Base Premium

When coverage is written on a claims made basis, the (1 – 4 yr. or mature) claims made premiums are calculated by multiplying the base premium in **3.** above, by the appropriate (1 – 4 yr. or mature) retro factor in Table 4. below.

In selecting a factor from this table, the following rules apply:

- a. Eligibility for 1st year claims made rate: When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.
- b. Eligibility for 2nd year claims made rate: When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.
- c. Eligibility for 3rd year claims made rate: When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.
- d. Eligibility for 4th year claims made rate: When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

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- e. Eligibility for Mature claims made rate: When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. (The retro factor is 1.000)

Table 4. Claims Made Retroactive Factors

Maturity	Factor
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

6. Modified Premium

The following factors (if appropriate to a specific risk) are applied to either the Occurrence premium determined in **4.** above, or the Claims Made premium determined in **5.** above.

- a. If any of the conditions listed in Table 5. below are present, the corresponding discount factor applies.

Table 5. Discount Factors

Description	Factor
Part-time (includes semi-retired, disabled and faculty)	.50
1 st Year Licensure	.25
2 nd Year Licensure	.60
3 rd Year Licensure	.75
4 th Year Licensure	.85

Discounts are to be pro-rated if added mid-term.

- b. If a risk has a claim-free loss history during its tenure with us, a longevity factor from Table 6. below applies. We will allow a claim-free loss history carry-over from a prior carrier subject to a 5 consecutive year maximum.

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Table 6. Longevity Factors

Years with Carrier w/o Claims	Factor
3	0.97
4	0.96
5	0.95
6	0.94
7	0.93
8	0.92
9	0.91
10	0.90
11	0.89
12	0.88
13	0.87
14	0.86
15	0.85
16	0.84
17	0.83
18	0.82
19	0.81
20+	0.80

- c. If a risk employs favorable risk management practices, a discount in the range specified in Table 7. below applies.

Table 7. Risk Management Discount

Sponsored Live Risk Management Seminar	5%
Approved Online Risk Management Course	10%
Maximum Risk Management Discount	10%

Sponsored Live Risk Management Seminar means: Any seminar sponsored by a state, or national chiropractor membership organization, or by any insurer of chiropractors malpractice insurance, that is presented either in person or by means of the internet and is designed to provide the latest trends in the field and to reduce the vulnerability of chiropractors to professional liability actions. Seminar must have been completed within the preceding three years before the discount is applied.

Approved Online Risk Management Course means: Any coursework provided by a state, or national chiropractor membership organization, or by any insurer of chiropractors malpractice insurance, which is designed for the purpose of reducing

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the vulnerability of chiropractors to professional liability actions. Coursework must have been completed within the preceding three years before the discount is applied.

- d. Other risk characteristics may be contemplated by developing a schedule debit according to the Schedule Rating Plan outlined in Table 8. below.

Table 8. Schedule Rating Plan

Description	Credit	Debit
New protocols are in place including signed consent to treat and the use of progress notes	20%	0%
Nature and complexity of complaints presented by patients	10%	10%
Number of years at location: (Section B. Question 3 of the application)		
Less than 3 years at location	0%	5%
More than 3 years at location	5%	0%
3 years at location	0%	0%
Administrative staff commitment to and support for an effective risk program designed to promote patient safety	5%	5%
Proof of proper and current certification/training for any practice taking x-rays	5%	0%
Frequency of testing for signs of cerebrovascular insufficiency: (Section J of the application)		
If all questions are marked "Always"	5%	0%
If any question is marked "Usually"	0%	5%
Having a referral network in place that includes orthopedists, internists, or other similar practitioners	5%	0%
Maximum Credit or Debit	25%	25%

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B. Premium Determination for Professional Entities (Occurrence or Claims Made)

1. Base Premium

Determine either the Occurrence Base Premium or the Claims Made Base Premium by following the steps in **A. 1.** through **A. 5.** above.

2. Professional Entity Coverage Premium

Depending on the applicable coverage, multiply the result from **B.1.** x the corresponding factor in Table 8. below.

Table 8. Professional Entity Factors

Coverage	Factor
Shared limit of liability	No Charge
Shared limit of liability with MD/DO exposure	.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO exposure	2.20 for the first entity 0.55 for each additional entity

*Professional entities added mid-term are to be pro-rated.

C. Premium Determination for Extended Reporting Endorsement (Claims Made)

1. Basic Reporting Extension

This coverage is provided at no additional charge.

2. Extended Reporting Endorsement

In order to arrive at the premium charge for the coverage provided under an Extended Reporting Period, the factors in Table 9. below apply to the mature claims made base premium in effect at policy termination.

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Table 9. Extended Reporting Period Factors

# of Years since Retro Date	Factor
1	0.654
2	0.975
3	1.062
4	1.082
Unlimited	1.500
Unlimited – for insureds that have been with this program • 10 years and are retiring from practice after age 55	0.750

D. Premium Determination for Endorsements (Occurrence or Claims Made)

Endorsements added mid-term are to be pro-rated.

SERFF Tracking Number:	PHLX-G128051941	State:	Illinois
Filing Company:	Philadelphia Indemnity Insurance Company	State Tracking Number:	PHLX-G128051941
Company Tracking Number:	IL003380200050		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2003 Chiropractic
Product Name:	Cover Pro Healthcare		
Project Name/Number:	Cover Pro Healthcare/IL003380200050		

Supporting Document Schedules

	Item Status:	Status
		Date:
Satisfied - Item:	Explanatory Memorandum	
Comments:		
Attachment:		
Filing Memo - IL - 2012 01 11.PDF		

	Item Status:	Status
		Date:
Bypassed - Item:	Manual	
Bypass Reason:	rate/rule manual being filed under rate tab.	
Comments:		

	Item Status:	Status
		Date:
Bypassed - Item:	Form RF3 - (Summary Sheet)	
Bypass Reason:	n/a - new program	
Comments:		

	Item Status:	Status
		Date:
Satisfied - Item:	Certification	
Comments:		
Attachment:		
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	Item Status:	Status
		Date:
Satisfied - Item:	Rate Support	
Comments:		
Rate Support		
Attachment:		

<i>SERFF Tracking Number:</i>	<i>PHLX-G128051941</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Philadelphia Indemnity Insurance Company</i>	<i>State Tracking Number:</i>	<i>PHLX-G128051941</i>
<i>Company Tracking Number:</i>	<i>IL003380200050</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2003 Chiropractic</i>
<i>Product Name:</i>	<i>Cover Pro Healthcare</i>		
<i>Project Name/Number:</i>	<i>Cover Pro Healthcare/IL003380200050</i>		

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PHILADELPHIA INDEMNITY INSURANCE COMPANY
CHIROPRACTORS PROFESSIONAL LIABILITY
FILING MEMORANDUM
ILLINOIS

Philadelphia Indemnity Insurance Company is filing to introduce rates for a new Chiropractors Professional Liability Program. Rates are developed based on the NCMIC Insurance Company filing in Illinois with Filing #: 42-0635534.

The base rate for this coverage is at a \$100k / \$200k limit and has been adjusted to account for differences in expenses between PIIC and NCMIC (Note that expenses were not included in NCMIC's Illinois filing, so they have been borrowed from their North Carolina filing with the tax rate adjusted for Illinois). Alternate limits are available by applying the appropriate factors from Tables 3 and 4 of the attached rating plan. Additional factors for this coverage include a territory factor, a longevity factor for the prior years insured without a claim, a claims-made retroactive factor, and other discount factors. The prior years without a claim must reflect years insured by PIIC other than a maximum carry over of 5 consecutive years from another insurer. Please refer to attached rating plan and supporting exhibits.

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Cole Henry, a duly authorized officer of Philadelphia Indemnity Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, John Ferraro, a duly authorized actuary of Philadelphia Indemnity Insurance Company, am authorized to certify on behalf of Philadelphia Indemnity Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Coleman V. Henry SR. VICE PRESIDENT 1-23-12
Signature and Title of Authorized Insurance Company Officer Date

John Ferraro FCAS / Vice President & Pricing Actuary 1/25/12
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FBIN 23-1738402 Filing Number IL003380200050

Insurer's Address One Bala Plaza, Suite 100

City Bala Cynwyd State PA Zip Code 19004

Contact Person's:

-Name and E-mail Diane Quarles quarlesd@philyins.com

-Direct Telephone and Fax Number 610-617-7751 Fax 866-478-1433

<i>SERFF Tracking Number:</i>	<i>PHLX-G128051941</i>	<i>State:</i>	<i>Illinois</i>
<i>Filing Company:</i>	<i>Philadelphia Indemnity Insurance Company</i>	<i>State Tracking Number:</i>	<i>PHLX-G128051941</i>
<i>Company Tracking Number:</i>	<i>IL003380200050</i>		
<i>TOI:</i>	<i>11.2 Med Mal-Claims Made Only</i>	<i>Sub-TOI:</i>	<i>11.2003 Chiropractic</i>
<i>Product Name:</i>	<i>Cover Pro Healthcare</i>		
<i>Project Name/Number:</i>	<i>Cover Pro Healthcare/IL003380200050</i>		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/31/2012	Rate and Rule	Rating Manual	02/07/2012	Rule Page - IL.PDF (Superceded)

**Philadelphia Indemnity Insurance Company
Professional Liability
Independent Professional Liability Forms/Rates/Rules
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The following Professional Liability Coverage Form, Declarations Page and endorsements are available for risks written for doctors of chiropractic medicine.

I. FORMS

1. Cover Pro Healthcare Declarations Page
 - a. Description: Use this declarations page when the Cover Pro Healthcare Coverage Form is attached to the policy.
 - b. Form: PI-CPHC-001
 - c. Premium Determination: There is no premium charge.
2. Cover Pro Healthcare Coverage Form
 - a. Description: This form provides coverage for claims arising out of a wrongful act committed in the rendering of or failing to render professional services, subject to certain exclusions and conditions outlined in the form.
 - b. Form: PI-CPHC-002
 - c. Premium Determination: See Section II. below for rating information.
3. Relief Doctor Endorsement
 - a. Description: This optional endorsement amends the definition of Individual Insured to include a licensed chiropractor named in the endorsement as a relief doctor but only for the treatment of patients at the named insured's location and for a specified time period.
 - b. Form: PI-CPHC-003
 - c. Premium Determination: There is a \$50 flat charge for this endorsement when coverage is to apply for a period of up to four (4) weeks. For a coverage period in excess of four (4) weeks, the premium is to be calculated according to the steps in Section II. below for a full-time chiropractor, and pro-rated based on the entire length of time that the named relief doctor is acting in that capacity.
4. Extern Endorsement
 - a. Description: This optional endorsement amends the definition of Individual Insured to include externs named in the endorsement but only for the treatment of patients at the named insured's location, subject to the conditions outlined in the endorsement.
 - b. Form: PI-CPHC-004
 - c. Premium Determination: There is a \$50 flat charge for this endorsement when coverage is to apply for a period of up to four (4) weeks. For a coverage period in excess of four (4) weeks, the premium is to be calculated according to the steps in Section II.

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below for a full-time chiropractor, and pro-rated based on the entire length of time that the named extern is acting in that capacity.

5. Sexual Abuse and Molestation Endorsement
 - a. Description: This optional endorsement provides a sublimit of liability of \$30,000 per claim up to an aggregate limit of \$60,000 for costs incurred in defending the insured for allegations of sexual abuse or molestation.
 - b. Form: PI-CPHC-005
 - c. Premium Determination: The charge for this endorsement is 5% of the total professional liability premium.
6. Chiropractor Pro Pak Elite
 - a. Description: This mandatory endorsement amends the coverage provided under the Cover Pro Healthcare coverage form to be specific to the needs of chiropractors.
 - b. Form: PI-CPHC-006
 - c. Premium Determination: There is no premium charge.
7. Unlimited Extended Reporting Period Endorsement
 - a. Description: This optional endorsement extends the basic reporting period of 60 days following the expiration of a claims made policy, to an unlimited period of time allowed to report claims.
 - b. Form: PI-CPHC-007
 - c. Premium Determination: See Section II. C. below for rating information.
8. Limited Extended Reporting Period Endorsement
 - a. Description: This optional endorsement extends the basic reporting period of 60 days following the expiration of a claims made policy to a longer period of time, specified in the endorsement, allowed to report claims.
 - b. Form: PI-CPHC-008
 - c. Premium Determination: See Section II. C. below for rating information.
9. Malpractice Insurance – Chiropractic Professional Liability Application
 - a. Description: This application is completed by the insured; the information supplied in the application is made part of the policy.
 - b. Form: PI-CPHC-APP-DC

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- c. Premium Determination: There is no premium charge.

10. Illinois Amendatory Endorsement

- a. Description: This mandatory endorsement modifies various terms in the Cover Pro Healthcare Coverage Form, as required in your state.
- b. Form: PI-CPHC-IL-1
- c. Premium Determination: There is no premium charge.

11. Illinois Extended Reporting Period Endorsement

- a. Description: This mandatory endorsement provides an Extended Reporting Period condition that meets your requirements.
- b. Form: PI-CPHC-ERP-IL-1
- c. Premium Determination: There is no premium charge.

II. RATES

A. Premium Determination for Individuals (Occurrence or Claims Made)

1. Base Rate

A base rate of 2,365 applies at a \$100,000 occurrence / \$200,000 aggregate limit.

2. Territory Relativities

Table 1. Territory Relativities

Territory	Territory Description	Factor
1	Cook, DuPage, Lake, Will, Kendall, Kane, & McHenry Counties	1.000
2	Monroe, St. Clair, Madison, Clinton, Washington, Randolph, & Jersey Counties	1.095
3	Remainder of State	0.960

3. Base Premium before Occurrence or Claims Made Factor

For different combinations of limits, the product of multiplying the appropriate factor from Tables 2 and 3 below is then multiplied x the base rate and the territory multiplier to arrive at the base premium. Round to the nearest whole dollar (i.e. round up if • .50; round down if • .49).

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Table 2. Alternate Occurrence Limits

Occurrence Limit	Factor
50,000	0.80
100,000	0.97
200,000	1.13
300,000	1.24
500,000	1.38
1,000,000	1.56
1,500,000	1.68
2,000,000	1.76
3,000,000	1.89
4,000,000	1.99
5,000,000	2.07
10,000,000	2.32

Table 3. Alternate Aggregate Limits

Ratio of Occurrence Limit to Aggregate Limit (n X Occurrence)	Factor
n = 1.0	1.000
n = 1.5	1.010
n = 2.0	1.020
n = 2.5	1.025
n = 3.0	1.035
n = 4.0	1.040
n = 5.0	1.045
n = 6.0	1.060
n = 8.0	1.065
n = 10.0	1.070
n = 12.0	1.100

Example:

\$100,000 occurrence / \$300,000 aggregate

(Table 2 Factor x Table 3 Factor) x Base Rate x Territory Relativity

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Or: $(0.97 \times 1.035) \times 2365 \times 1.000$ (for Territory 1) = 2,374

*If the desired limits are not shown, interpolation should be used to determine the appropriate factor(s).

Interpolation Rule:

When interpolating to find the appropriate factor for a target amount between two amounts, take the difference between the target amount and the lower amount divided by the difference between the higher amount and the lower amount. Apply this result to the difference between the higher amount's factor and the lower amount's factor and add to the lower amount's factor.

Step 1: $\frac{\text{Target amount} - \text{Lower amount}}{\text{Higher amount} - \text{Lower amount}}$

Step 2: Result of Step 1 x (Higher amount factor – Lower amount factor)

Step 3: Add result of Step 2 to the lower amount factor to arrive at target factor

4. Occurrence Base Premium

When coverage is written on an occurrence basis, multiply the base premium in **3.** above x **1.041** (the occurrence factor).

5. Claims Made Base Premium

When coverage is written on a claims made basis, the (1 – 4 yr. or mature) claims made premiums are calculated by multiplying the base premium in **3.** above, by the appropriate (1 – 4 yr. or mature) retro factor in Table 4. below.

In selecting a factor from this table, the following rules apply:

- a. Eligibility for 1st year claims made rate: When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.
- b. Eligibility for 2nd year claims made rate: When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.
- c. Eligibility for 3rd year claims made rate: When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.
- d. Eligibility for 4th year claims made rate: When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

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- e. Eligibility for Mature claims made rate: When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. (The retro factor is 1.000)

Table 4. Claims Made Retroactive Factors

Maturity	Factor
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

6. Modified Premium

The following factors (if appropriate to a specific risk) are applied to either the Occurrence premium determined in **4.** above, or the Claims Made premium determined in **5.** above.

- a. If any of the conditions listed in Table 5. below are present, the corresponding discount factor applies.

Table 5. Discount Factors

Description	Factor
Part-time (includes semi-retired, disabled and faculty)	.50
1 st Year Licensure	.25
2 nd Year Licensure	.60
3 rd Year Licensure	.75
4 th Year Licensure	.85

Discounts are to be pro-rated if added mid-term.

- b. If a risk has a claim-free loss history during its tenure with us, a longevity factor from Table 6. below applies. We will allow a claim-free loss history carry-over from a prior carrier subject to a 5 consecutive year maximum.

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Table 6. Longevity Factors

Years with Carrier w/o Claims	Factor
3	0.97
4	0.96
5	0.95
6	0.94
7	0.93
8	0.92
9	0.91
10	0.90
11	0.89
12	0.88
13	0.87
14	0.86
15	0.85
16	0.84
17	0.83
18	0.82
19	0.81
20+	0.80

- c. If a risk employs favorable risk management practices, a discount in the range specified in Table 7. below applies.

Table 7. Risk Management Discount

Discount	0% - 15%
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- d. Other risk characteristics may be contemplated by developing a schedule debit according to the Schedule Rating Plan outlined in Table 8. below.

Table 8. Schedule Rating Plan

Description	Debit
Unusual Risk Characteristics	0% - 50%*
Claim History Debit	0% - 50%*

* Or the most current schedule modification allowance approved by the state.

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B. Premium Determination for Professional Entities (Occurrence or Claims Made)**1. Base Premium**

Determine either the Occurrence Base Premium or the Claims Made Base Premium by following the steps in **A. 1.** through **A. 5.** above.

2. Professional Entity Coverage Premium

Depending on the applicable coverage, multiply the result from **B.1.** x the corresponding factor in Table 8. below.

Table 8. Professional Entity Factors

Coverage	Factor
Shared limit of liability	No Charge
Shared limit of liability with MD/DO exposure	.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO exposure	2.20 for the first entity 0.55 for each additional entity

*Professional entities added mid-term are to be pro-rated.

C. Premium Determination for Extended Reporting Endorsement (Claims Made)**1. Basic Reporting Extension**

This coverage is provided at no additional charge.

2. Extended Reporting Endorsement

In order to arrive at the premium charge for the coverage provided under an Extended Reporting Period, the factors in Table 9. below apply to the mature claims made base premium in effect at policy termination.

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Table 9. Extended Reporting Period Factors

# of Years since Retro Date	Factor
1	0.654
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3	1.062
4	1.082
Unlimited	1.500
Unlimited – for insureds that have been with this program • 10 years and are retiring from practice after age 55	0.750

D. Premium Determination for Endorsements (Occurrence or Claims Made)

Endorsements added mid-term are to be pro-rated.